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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/791,918	03/03/2004	John Edward Woods	56162916-2	3827
26453	7590	09/15/2008		
BAKER & MCKENZIE LLP 1114 AVENUE OF THE AMERICAS NEW YORK, NY 10036			EXAMINER VEZERIS, JAMES A	
			ART UNIT 3693	PAPER NUMBER
			NOTIFICATION DATE 09/15/2008	DELIVERY MODE ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

nycpatents@bakernet.com  
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### Office Action Summary

**Application No.**

10/791,918

**Applicant(s)**

WOODS ET AL.

**Examiner**

JAMES A. VEZERIS

**Art Unit**

3693

**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 21 July 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-18 and 37-39 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-18 and 37-39 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-8508)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

### **Detailed Action**

#### **Restriction Requirement**

1. Applicant's election with traverse of Invention 1 in the reply filed on 7/21/2008 is acknowledged. The traversal is on the ground(s) that the groupings of claims are not independent or distinct, because the management of funds may be associated with an established mandate. This is not found persuasive because the applicant argues the terms of the specification and not the pending claims. Examiner believes the pending claims, as reviewed in light of the applicant's response to the restriction on 5/20/2008, fail to reverse the reasoning of the original restriction requirement because the specification does not change the scope of the pending claims.

The requirement is still deemed proper and is therefore made FINAL.

#### **Claim Rejections- 35 U.S.C. 101**

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-18 and 37-39 of the claimed invention are directed to non-statutory subject matter. In order for a method to be considered a "process" under §101, a claimed process must either: (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials). *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9

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(1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). If neither of these requirements is met by the claim, the method is not a patent eligible process under §101 and is non-statutory subject matter.

#### **Claim Rejections- 35 U.S.C. 112 2<sup>nd</sup> Paragraph**

4. Claims 1 and 12 recite the limitation "investing the capital" however, only "institutional capital is recited prior to "investing the capital". There is insufficient antecedent basis for this limitation in the claim. Examiner will review the claims as if the "capital" is "institutional capital."

#### **Claim Rejections- 35 U.S.C. 102(e)**

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1-9, 11-17, and 37-39 are rejected under 35 U.S.C. 102(e) as being anticipated by US PG-Pub 2002/0188536 to Milosavljevic et al. (Hereinafter "Milosavljevic")

#### **Regarding Claim 1.**

Milosavljevic teaches:

determining a predefined term for investing a predetermined amount of institutional capital in equity-based investments; (Paragraphs 70 and 136)

determining a plurality of dividend targets, the plurality of dividend targets associated with a plurality of respective periods during the predefined term;(Paragraph 100 Table 1)

determining a value indicator to be used during the predefined term; and (Paragraph 99)

selecting an investment manager for investing the capital in the equity-based investments for the predefined term and for at least meeting the plurality of dividend targets, the investment manager using at least the value indicator to determine whether to buy, to hold or to sell at least one of the equity-based investments during the predefined term.(Paragraph 111)

**Regarding Claim 2.**

Milosavljevic further teaches:

monitoring performance of the selected investment manager by determining whether the investment manager meets the plurality of dividend targets by comparing dividends paid on the equity-based investments during each of the plurality of periods to the plurality of respective dividend targets. (Paragraph 100)

**Regarding Claim 3.**

Milosavljevic further teaches monitoring the performance of the investment manager includes evaluating at least one performance report generated by the

investment manager. (Paragraph 105)

**Regarding Claim 4.**

Milosavljevic further teaches determining a plurality of dividend targets includes determining a first dividend target for a first period based at least on a required dividend growth, (Paragraphs 121 and 122)

determining subsequent dividend targets for subsequent respective periods based on the required dividend growth and a required dividend yield. (Paragraphs 121 and 122 and 177)

**Regarding Claim 5.**

Milosavljevic further teaches the subsequent dividend targets are increased each subsequent period by a percentage equal to the required dividend growth multiplied by the required dividend yield. (Paragraph 122)

**Regarding Claim 6.**

Milosavljevic further teaches the required dividend growth and the required dividend yield remain unchanged throughout the predefined term. (Paragraphs 100 and 122)

**Regarding Claim 7.**

Milosavljevic further teaches the value indicator is dividends. (Paragraph 97)

**Regarding Claim 8.**

Milosavljevic further teaches the value indicator is earnings. (Paragraph 97)

**Regarding Claim 9.**

Milosavljevic further teaches the value indicator is cash flow. (Paragraph 97)

**Regarding Claim 11.**

Milosavljevic further teaches the first period and the subsequent respective periods are yearly periods. (Paragraph 87)

**Regarding Claim 12.**

Milosavljevic teaches:

determining a predefined term for investing a predetermined amount of institutional capital in equity- based investments; (Paragraphs 70 and 136)

determining an initial dividend yield; (Paragraph 100 Table 1)

determining a growth rate; (Paragraph 100 Table 1)

determining a value indicator to be used during the predefined term; and  
selecting an investment manager for investing the capital in the equity-based investments for the predefined term in accordance with the initial dividend yield and the growth rate, the investment manager using at least the value indicator to determine whether to buy, to hold or to sell at least one of the equity-based investments during the predefined term. (Paragraphs 100 and 105 and 121 and 122)

**Regarding Claim 13.**

Milosavljevic further teaches:

monitoring performance of the selected investment manager by determining whether the investment manager meets a plurality of dividend targets associated with the initial dividend yield and the growth rate by comparing dividends paid on the equity-based investments during each of the plurality of periods to the plurality of respective

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dividend targets. (Paragraph 105)

**Regarding Claim 14.**

Milosavljevic further teaches monitoring the performance of the investment manager includes evaluating at least one performance report generated by the investment manager. (Paragraph 105)

**Regarding Claim 15.**

Milosavljevic further teaches the value indicator is dividends. (Paragraph 97)

**Regarding Claim 16.**

Milosavljevic further teaches the value indicator is earnings. (Paragraph 97)

**Regarding Claim 17.**

Milosavljevic further teaches the value indicator is cash flow. (Paragraph 97)

**Regarding Claim 37.**

Milosavljevic teaches:

determining a predefined term for investing a predetermined amount of institutional capital in at least one bond investment ; (Paragraph 100 Table 1)

defining a value indicator to be used during the predefined term; (Paragraph 99)

selecting an investment manager for investing the predetermined amount of institutional capital in the at least one bond investment for the predefined term, the investment manager using the value indicator to determine whether to buy, to hold, or to sell the at least one bond investment during the predefined term; (Paragraph 111)

monitoring performance of the investment manager according to whether the selected investment manager meets one or more performance targets not based on



market value. (Paragraph 105)

**Regarding Claim 38.**

Milosavljevic further teaches the value indicator is fair value of the at least one bond investment. (Paragraph 18)

**Regarding Claim 39.**

Milosavljevic further teaches monitoring the performance of the investment manager includes comparing an amount of capital at the end of a respective period during the predefined term with the aggregate of accumulated interest and the fair value of the at least one bond investment at the end of the respective period. (Paragraphs 98 and 207)

**Claim Rejections- 35 U.S.C. 103(a)**

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 10 and 18 rejected under 35 U.S.C. 103(a) as being unpatentable over Milosavljevic in view of Official Notice.

**Regarding Claims 10 and 18.**

Milosavljevic fails to teach the value indicator is book value.

Official notice is taken that using book value as a value indicator is old and well known in the art. There is motivation to combine Milosavljevic and Official Notice

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because using book value would allow Milosavljevic to use another value indicator increasing the chance for a properly funded retirement.

### **Conclusion**

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES A. VEZERIS whose telephone number is (571)270-1580. The examiner can normally be reached on Monday-alt. Fridays 7:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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